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The Fourth Dimension in Labeling: Trademark Consequences of an Improper Label—Part I

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Mr. Field Prepared His Paper Under the Supervision of Professor James B. Gambrell, In Partial Fulfillment of Requirements For an LL.M. at the New York University School of Law, Graduate Division.

I. Introduction

AS INDICATED BY THE TITLE,¹ this is an inquiry into the trademark ramifications of labeling. A concise statement of the metes and bounds of the problem may be had by a reference to two recent trademark cases. One is illustrative; one is critical.

First, in any inquiry into trademark registration, it is good to have at hand exactly what a trademark registration accomplishes, especially the policy objectives. A synoptic statement of those appears in a recent opinion of the Court of Customs and Patent Appeals, hereinafter CCPA, written by Judge Rich:²

(T)he acquisition of the right to exclude others from the use of a trademark results from the fact of use and the common law, independently of registration in the Patent Office. . . . It is in the public interest to *maintain* registrations of tech-

¹ The other three main categories of consequences of label improprieties are: (1) criminal penalties such as fine and imprisonment, (2) injunctions or restraining orders against such behavior, and (3) seizure in a libel action of the offensively labeled commodity. See, for

example, Rubenstein, "Your Label, Labeling and the Law," 16 FOOD DRUG COSMETIC LAW JOURNAL 366, 369 (1961).

² *Morehouse Manufacturing Corp. v. J. Strickland & Co.*, 160 USPQ 715, 720 (CCPA, 1969). This case will be discussed in some detail below.

nically good trademarks on the register so long as they are still in use. The register then reflects commercial reality. Assertions of 'fraud' should be dealt with realistically, comprehending, as the board did, that trademark rights, unlike patent rights continue notwithstanding cancellation of those additional rights which the Patent Office is empowered by statute to grant.

As is intimated in Judge Rich's remarks, certain kinds of conduct may well result in cancellation of federal rights in trademark registration—notwithstanding the fact that certain rights may remain. This is equally true with respect to trademark application for registration, and registration may be denied in the first instance.

As will appear in greater detail below, the concern here will be primarily with the latter of these, and it is thus useful to consider at the outset the impact that improper labeling may have on a party's right to register.³ The attitude of the Patent Office is manifest in the following opinion:⁴

As a condition precedent to registration, it is necessary that goods bearing the mark sought to be registered, be sold or transported in commerce which may lawfully be regulated by Congress. If the goods in question cannot enter the stream of commerce unless and until certain conditions including labeling requirements...are met, it follows that any shipments in commerce not in compliance therewith constitute 'unlawful shipments' in commerce from which no trademark rights can accrue to properly form a basis for 'use of a mark in commerce' which the Patent Office can properly recognize....

That is, a party may not enter commerce and seek registration unless and until he has fully complied with the particular Act of Congress which directly controls the commerce in such goods.

Thus, in *Stellar*,⁵ the Patent Office Trademark Trial and Appeal Board, hereinafter the trademark appeal board or Board, raises and confronts an extremely viable and important issue. If their statement, as quoted, is to be taken at face value, one may find himself in the unfortunate position of having an *ab initio*⁶ invalid trademark which is not entitled to registration. More unfortunately, if the label defect, for example, is not detected in the registration process, or if there is substantial delay between commencement of use of the mark and attempted registration, a party may find his rights seriously com-

³ See the Trademark Act of 1946, as amended; also known as the Lanham Act; 60 Stat. 427 and following, 15 U. S. C. 1051 and following; hereinafter cited by section only or as 15 U. S. C. —. See, for example, Sec. 1, 15 U. S. C. 1051; Sec. 23, 15 U. S. C. 1091.

⁴ *In re Stellar International, Inc.*, 159 USPQ 48, 51 (POTT&AB, 1968). As

to the statutory composition and authority of the Trademark Trial and Appeal Board, the trademark appeal board, or the Board, see, for example, Sec. 17 or 20; 15 U. S. C. 1067, 1070.

⁵ See footnote 4, above.

⁶ Literally, "from the beginning."

promised—the inevitable consequence of having a great deal of good will connected with a mark that is either unregistrable or subject to cancellation. Inadvertence and innocent error are poor defenses, for as is often stated: ignorance is no defense to a violation of law.

The task here, then, is to make inquiry to discover whether or not the picture is as bleak as it appears on first blush. It is one of attempting to fix the scope of the problem as it applies to labeling primarily and, further, of inquiring into the authority and wisdom of the Patent Office in its resolution of such an important issue.

II. Summary Analysis of the Problem

It seems useful to consider the scope of the types of label defects one might try to avoid and the consequences of such defects, if not avoided. Within the term “improper” or “defective” may appear varying degrees of “deception,” “fraud,” and “illegality.” cursory reflection will reveal that of all the possible types of such improper labeling, only a few will present any difficulty. From a practical standpoint, for example, it does not seem worthwhile to distinguish fraud from deception.⁷ The scope of impropriety that may find itself the subject of criminal sanction is, of course, a function of legislative fiat, and, in this day and age, it is hardly possible to conjure up examples of the most innocently deceptive labels which are not subject to criminal sanction.⁸ Indeed, labels may be illegal even though totally devoid of deception.⁹ There are two reasons for keeping the potential breadth of impropriety in mind. First, the standard of legality is subject to almost instant change, and, second, the Patent Office isn't necessarily limited to only that with which it concerns itself today.

⁷ For most purposes here the presence of an *intent* to receive will be immaterial. The problems associated with the improper use of “the letter R enclosed within a circle,” Sec. 30, 15 U. S. C. 1111, has created some thorny problems. See, for example, *Independent Grocer's Alliance v. Zayre*, 149 USPQ 229, 230 (POTT&AB, 1966). While the improper use of the notice of registration is not illegal, it has often been urged as a fraud against the public, for example, to bar a registrant's rights in one respect or another. Such attempts have been largely unsuccessful. *Independent Grocer's* is a good summary.

⁸ An example of one not subject to criminal sanction is “R in a circle,” cited in footnote 7, above, is such a case. Compare 35 U. S. C. 292 re “patented” or the like.

⁹ Such a case is presented by *Stellar*, footnote 4, above. In that case the illegality arose under Sec. 602 of the Federal Food, Drug, and Cosmetic Act, 21 U. S. C. 362. That section provides that a cosmetic shall be misbranded unless an accurate statement of the net contents appears on the label. There is no requirement that anyone be deceived to give rise to illegality. For a more general proscription, see Sec. 4(a)(2) of the Fair Packaging and Labeling Act, 80 Stat. 1297 (1966).

There are three trademark-related consequences of a defective label. In addition to a refusal to register and the possibility of cancellation of a mark, already registered, there is the possibility of a refusal to enforce the rights of a registrant.¹⁰ Such trademark-based sanctions may come into issue in two distinct types of proceedings, as ex parte or inter partes contests, and may arise either in the courts or before the Patent Office.

Registration is largely an ex parte proceeding, but may become an inter partes matter in one of several ways.¹¹ The forum for such a contest is usually the Patent Office, but courts may become involved on appeal from the Patent Office.¹²

The issue of whether to cancel a mark from the register¹³ or whether to enforce a mark by appropriate remedy, on the other hand, will always be inter partes matters. Often the two issues just cited will be joined in a single case, and a registrant bringing an action against an infringer may well find himself in an unenviable position, with the court, for example, not only refusing to enforce his rights, but also acting favorably on a motion to cancel the registration.¹⁴ As was just intimated, such inter partes proceedings may arise in either the courts or the Patent Office.¹⁵

The problem which has been most closely scrutinized and which is to be analyzed in detail here is the propriety of Patent Office refusal to register a mark which has been used in "unlawful commerce."¹⁶ Such a Patent Office proceeding, which is often ex parte, cannot be viewed in a vacuum. The possibility, indeed the reality, of subsequent inter partes and extra-Patent Office¹⁷ action should have considerable

¹⁰ See *Independent Grocer's*, footnote 7, above; *Dr. Nicholas C. Strey v. Devine's, Inc.*, (C. A. 7 1954) 217 F. 2d 187, discussed in detail, below.

¹¹ There are three such possibilities: (1) declaration of an interference, Sec. 16, 15 U. S. C. 1066; (2) concurrent use application, Sec. 2(d), 15 U. S. C. 1052-(d); (3) opposition, Sec. 13, 15 U. S. C. 1063. Generally, see Sec. 17, footnote 4, above.

¹² Generally, see Sec. 21, 15 U. S. C. 1071.

¹³ There are really several registers: two trademark registers, a service mark register, and a collective mark register. Here, the last two will not be further considered. See Secs. 1, 3, 4, and 23 of the act, but note Sec. 26. The two trademark

registers are quite distinct, as will be discussed in detail, below.

¹⁴ Sec. 37, 15 U. S. C. 1119, provides that "In any action involving a registered mark the court may determine the right to registration, order the cancellation. . . ."

¹⁵ See footnote 10, above.

¹⁶ That term appears nowhere in the act, although the language calling for a "lawful use in commerce" appears in Secs. 2(d) and 23. The term is set apart to indicate that there is some question as to its meaning; see part V of this paper, below.

¹⁷ The term, "extra-Patent Office" is used to refer to other regulatory action, for example, by the Food and Drug Administration.

influence on the course of action dictated. The purpose of the above discussion, then, is not so much designed to impress the non-trade-mark attorney with the fact that the area is complicated, as to lay the groundwork upon which a realistic analysis of the problem must rest.

In addition to possible subsequent inter partes and extra-Patent Office action, mentioned above, there are other practical considerations which bear on the scope of the present inquiry. For example, the likelihood of the Trademark Examiner getting too far afield in attempting to protect the public from applicant's misconduct is small. It would seem, a priori, that his role will be limited to refusal to register for misconduct which he is capable of detecting, for example, from an inspection of the specimen labels filed with the application.¹⁸

In this vein, the Patent Office seems to have limited the scope of his, and this, inquiry even further, and, at this writing, the Examiner will not be concerned with label improprieties that are not forbidden under an "Act of Congress."¹⁹ Hence they will not be further discussed here.

The problem as thus limited is a relatively new one, and the law is sparse. In the past ten years or so, the problems associated with the accrual of trademark rights based on "unlawful" or "illegal use in commerce" have become increasingly thorny ones. The deliniation and resolution of a relatively newly-discovered area of Patent Office inquiry have been the source of concern. The task here, of course, is to attempt to determine whether the concern is a realistic one. Such a determination may be divided into four parts: (1) analysis of a rule which permits Patent Office inquiry into matters of non-Patent Office regulatory compliance, (2) the analysis of the agency interpretation and application of its rule, (3) the statutory and case authority for the rule as applied, and finally (4) the possibility of practical alternative techniques for the protection of the common good. In the final analysis, the real issue is the necessity for a watchdog stance on the part of the Patent Office in furtherance of what it deems to be public policy.

III. Rule 2.69

Since Rule 2.69 is the nexus of the inquiry, it will be helpful to have the specific language at hand:²⁰

¹⁸ See Trademark Rule 2.56. The Trademark Rules are Part 2 of Title 37 (Patents, Trademarks, and Copyrights) of the Code of Federal Regulations and will be hereinafter referred to only by number.

¹⁹ See Trademark Rule 2.69; *Stellar*, footnote 4, above.

²⁰ See footnote 18, above.

When the sale or transportation of any product for which registration of a trademark is sought is regulated under an Act of Congress, the Office may, before allowance, make appropriate inquiry as to compliance with such act for the sole purpose of determining lawfulness of the commerce recited in the application.

While there is specific authority cited for the rule,²¹ neither that authority nor the history of the rule is particularly revealing as to what its impact might be. For example, the following questions are not satisfactorily answered by a literal reading of the rule: (1) Which "Acts of Congress" are contemplated? The Sherman Act?²² The Federal Food, Drug, and Cosmetic Act?²³ (2) What is to be done once appropriate inquiry has been made? Refuse registration? Inform the applicant of his non-compliance? Or, perhaps, inform the agency, for example, the Food and Drug Administration, within whose province the suspected violation falls? Reasonable minds might differ as to the correct answers to those questions—assuming such an answer exists at all.

As for the history of the rule, there is little to be said. It appears to have been first promulgated to take effect with a general renumbering and revision of the rules in 1955.²⁴ There appears to have been an old rule that might be the precursor of Rule 2.69, but there is little to be gained from an examination of the history of that rule, for there does not appear to be a case applying it.²⁵ For that

²¹ See "Trademark Rules of Practice of the Patent Office with Forms and Statutes," p. 18 (1966) (available from the U. S. Government Printing Office). Rule 2.69 is said to "interpret or apply sec. 12, 60 Stat. 432; 15 U. S. C. 1062." That section merely provides for an examination of applications. The Commissioner's authority comes from Sec. 41, 15 U. S. C. 1123.

²² 26 Stat. 209 (1890), 15 U. S. C. 1, 2.

²³ Title 21, U. S. C.

²⁴ 20 *Federal Register* 4797—4815 (1955).

²⁵ When the rules were revised and renumbered to take effect with the passage of the Trademark Act, footnote 3, above, Rule 100.141 appears. 12 *Federal Register* 3956 (1947). It was subsequently amended. 16 *Federal Register* 9440 (1951); 17 *Federal Register* 1218 (1952); 19 *Federal Register* 5357 (1954). That rule dealt with filing a certificate of clearance of labels dealing with meats, wines, and other alcoholic beverages. No apparent equivalent of old rule 100.141 appears in

the proposed revision of 1955 (Footnote 24, above). In the rules text cited in footnote 21, above, Rule 2.69 is indexed under references to meats, wines, and other alcoholic beverages at pp. 119, 124, and 113, respectively.

The statutes dealing with those matters are somewhat revealing. See 27 U. S. C. A. Secs. 201-212, 49 Stat. 977 (1935); 21 U. S. C. A. Ch. 12, Secs. 603-623 (amended 1967). 27 U. S. C. 203(a) provides that it is unlawful to (1) import or (2) ship or sell certain alcoholic beverages without a prior permission by the Secretary of the Treasury. 27 U. S. C. 205(e) provides that it is unlawful to ship or sell "any distilled spirits, wine, or malt beverages in bottles," unless "bottled, packaged and labeled in conformity" with regulations, and goes on to provide that a *prior label approval* be secured before bottling or, in the proper case, removal from customs. Title 21, Ch. 12 is very similar. Apparently 21 U. S. C. 607(d) requires *pre-clearance* even of trademarks to be used

(Continued on the following page.)

matter, it was not until 1968, when the *Stellar*²⁶ decision was delivered, that the existence of such a rule was even acknowledged. *Stellar* will be the subject of a detailed discussion below.

IV. In re Stellar International, Inc.

There are four reasons why *Stellar* is vital to this discussion: (1) It is the latest Patent Office statement on the issue of the effect of the trademark user's unlawful entry into commerce. (2) It is the only case in which the lawfulness of the commerce is the *sole* issue. (3) As noted above, it is the only case where Rule 2.69 was cited and discussed. (4) Finally, it appears to give a fairly comprehensive statement of the Patent Office position on this important issue.

The case was an ex parte appeal from a refusal of the Examiner to register the mark, "JETFRESH," for an aerosol mouth freshener, the basis for that refusal being the absence of net contents on the labels filed with the application. The Examiner urged that in the absence of either the net contents on the label...²⁷

...and/or a verified statement by an authorized officer of the corporation that applicant was, in fact, complying with that Act (the Federal Food, Drug, and Cosmetic Act), at least as early as the filing date of the application, any use ... in interstate commerce was not lawful... commerce which can serve as the basis for registration in the Patent Office.

The authority for the Examiner's position was found in Rule 2.69 and in Sec. 1 of the Trademark Act,²⁸ the latter of which states in part that:

The owner of a trademark used *in commerce* may register his trademark under this Act on the principal register hereby established (Italics added.)

The crucial question was the meaning of "commerce" since it is not qualified in the act by the word "lawful." Does the word "commerce" of necessity embrace the qualification that it be a "lawful" commerce? The trademark appeal board's apparently unqualified answer to that question has been previously quoted herein.²⁹

In affirming the Examiner, the Board's reasoning took the following form: (1) The Commissioner of Patents has the authority

(Footnote 25 continued.)

on meat labels. Needless to say, these are not ordinary labeling provisions, but see Sec. 505(b)(6) of the Federal Food, Drug, and Cosmetic Act, 21 U. S. C. 355-(b)(6). Compare Sec. 502 of that act, 21 U. S. C. 352.

²⁶ See footnote 4, above.

²⁷ See footnote 4, above, p. 49. See Rule 2.33, listing the requirements for an application.

²⁸ See footnote 3, above.

²⁹ See footnote 4, above.

to make rules pursuant to Sec. 41 of the Act,³⁰ and thus Rule 2.69 was promulgated.³¹ (2) To not act under the authority of the rule in the manner in which this particular Examiner did, would render the rule "ineffective and an inquiry thereunder would be nothing more than a waste of time and effort."³² (3) "It seems evident that the term 'commerce' whenever and wherever used in the trademark statute must necessarily refer to 'lawful commerce'; . . ."³³ (4) And, finally having reviewed three somewhat related cases previously resolved in the Patent Office,³⁴ the Board decided that the Examiner had authority to inquire into the regulatory compliance issue and, in the event that compliance was lacking, to refuse registration.³⁵

In what might be interpreted as a conciliatory gesture, the Board also indicated that it was not concerned "with the imposition of criminal penalties,"³⁶ and that:³⁷

The authority under Rule 2.69 should, however, be exercised sparingly and only when the file suggests noncompliance with a regulatory act.

One such way that the file might suggest noncompliance would be "if specimen labels submitted with an application show *on their face* that the applicant has not complied. . . ."³⁸ (*Italics added.*)

Before delving further into the rule as interpreted and applied in *Stellar*, however, there are two further matters to be considered: (1) the statutory authority for the interpretation of the word "commerce" necessary to support the *Stellar* holding, and (2) the relatively scanty case law that is even remotely in point. Thus it is convenient, for the moment, to hold *Stellar* in abeyance.

³⁰ See footnote 21, above.

³¹ See footnote 4, above, at p. 50.

³² See footnote 4, above, at p. 51.

³³ See footnote 4, above, at p. 51.

³⁴ *Ex parte H. Zussman & Son Company*, 111 USPQ 283 (Comr., 1956); *Cochran Chemical Co., Inc. v. Smith* . . ., 113 USPQ 413 (Comr., 1957); *In re Taylor*, 133 USPQ 490 (POTT&AB, 1962). In regard to petitions to the Commissioner, see Rule 2.146.

³⁵ See footnote 4, above, at p. 52.

³⁶ See footnote 4, above, at p. 51.

³⁷ See footnote 4, above, at p. 51.

³⁸ See footnote 4, above, at p. 51. Also see footnote 9, above; Section 602(b)(2) has a proviso which reads in part: ". . .

exemptions as to small packages shall be established, by regulations prescribed by the Secretary."

The Board's opinion at p. 50 acknowledges that the packages were "very small" and acknowledges an affidavit by the Vice President of applicant to the effect that the FDA was being consulted in this matter. The Board was not impressed, and seems to indicate at p. 52 that the subsequent use of applicant of such data on its label is additional reason for the validity of its holding.

The correctness of the Board's interpretation of the food law is not an issue here, except to the extent that it bears on the authority and wisdom of its entering into such an interpretation of that law in the first instance.

V. The Meaning of "Commerce" in the Trademark Act

Support is weak, indeed, for the proposition that, wherever used, the word "commerce" in the Trademark Act means "lawful commerce." There are at least two reasons for this lack of support. First, it flies in the face of a common rule of statutory construction, and, perhaps even more importantly, the two lone appearances of the phrase "lawful use in commerce"³⁹ in the act seem to be a historical fluke.

While those conclusions will require some explaining, it is necessary, in order to do so, to keep in mind that there is not one, but rather two, trademark registers⁴⁰—principal and supplemental. Not only their purposes, but also the rights given thereunder are distinct.⁴¹ And it must be remembered that a rule promulgated by the Patent Office is equally applicable to both trademark registers without further limitation⁴²—no such limitation appears in Rule 2.69.

It is difficult to discuss the meaning of the phrase "lawful use in commerce" from a historical standpoint. In the first place, neither of its inclusions occurred until fairly late in the history of the act. Hence, there is not a background of interpretive pre-1946 case law to draw upon. Nor is the legislative history of either inclusion too clear.

Section 2(d), dealing with concurrent use, seems to have appeared in the act for the first time in 1941 as per its presence in a bill based upon American Bar Association recommendations.⁴³ In the same

³⁹ Secs. 2(d) and 23; 15 U. S. C. 1052(d) and 1091, respectively.

⁴⁰ See footnote 13, above. The principal register, Sec. 1, 15 U. S. C. 1051, is primarily for domestic use. The types of things registerable thereon as "marks" are strictly limited. This is in contrast with the supplemental register, Sec. 23, 15 U. S. C. 1091. The latter allows the registration of various techniques for distinguishing applicant's goods in commerce; for example, package configurations, labels. The purpose of such registration is to provide a U. S. registration upon which an applicant may base a foreign registration in those countries which do not recognize the doctrine of "secondary meaning" which provides some protection for such things here. See, for example, Hearings on H. R. 9041, House of Representatives Committee on Patents, Subcommittee on Trademarks, 75th Cong. 3d Sess., pp. 179-182 (1938). In that bill the supplemental register was Sec. 25.

⁴¹ See Sec. 26, 15 U. S. C. 1094 limiting the applicability of certain sections of the Act, section by section, to the supplemental register. See also, footnote 40, above; footnote 46, below. In regard to the 1920 Act, it was once remarked in the Senate committee report: "This legislation has no effect on the domestic rights of anyone. It is simply for the purpose . . . of complying with legislation in foreign countries." *Chas. Broadway Rouss, Inc. v. Winchester Co.*, 300 F. 706, 713-14 (CA-2 1924).

⁴² See footnote 11, above. Compare, for example, Rule 2.99 which is applicable to both types of application (concurrent registrations) with Rules 2.91(d), regarding interferences, and Rule 2.101, regarding opposition, which are not applicable to supplemental registration applications.

⁴³ Hearings on H. R. 102, H. R. 5461, and S. 895, House Committee on Patents, Subcommittee on Trademarks, 77th Cong., (Continued on the following page.)

bill, the phrase "lawful use in commerce" appears for the first time as a part of supplemental registration provisions.⁴⁴ It is this provision that seems to give the most clues as to the intended meaning of the phrase, even though it has been observed that, in general, the legislative history of that section is "not too enlightening."⁴⁵

The basic provision for the supplemental register is Sec. 23. Therein it is pointed out that it is a continuation of the register "provided in paragraph (b) of section 1 of the Act of March 19, 1920. . . ."⁴⁶ Under that act, the equivalent of the term "lawful" had been the term "bona fide."⁴⁷ Why was the substitution made? The reason seems to be based on an unfortunate interpretation of the term "bona fide" as used in the 1920 act,⁴⁸ with that term being read to mean "exclusive," not "good faith."

(Footnote 43 continued.)

1st Sess., pp. 58—61 (1941). Three legislative drafts appear therein. Those are a "committee print," H. R. 102, and H. R. 5461. S. 895 is not reprinted; that bill, which had passed the Senate, was said to be identical to H. R. 102.

In the *Hearings*, above, at pp. 60—61, it appears that the "committee print" is the text of the A. B. A. proposals. According to that information, a revised draft was submitted to the A. B. A. Patent, Trademark and Copyright Section on Jan. 18, 1941, was further revised at a Washington, D. C. meeting on February 6, 1941, and was finally certified to and approved by the A. B. A. House of Delegates in Chicago on March 18, 1941. However, certain clerical errors have been said to be corrected in the "committee print," and minor changes made therein in Secs. 29 and 46, neither of which are applicable here. H. R. 5461 was said to be an essential duplicate of the "committee print," and, at least as far as the language of Secs. 2(d) and 23 are concerned, this appears to be accurate. The term, "lawful use in commerce," appears for the first time in those drafts.

There is some cause to doubt the accuracy of that information. In a response to an inquiry in regard to the reason for the language substitution, the Assistant to the Secretary of the A. B. A. Section, Mr. Durkee, wrote as follows:

"At the Indianapolis Annual Meeting, September 29—30, 1941, the Section approved an amended version of a Lanham bill. § 23 of the amended version, however, used the term 'bona fide' rather than 'lawful,' and no discussion appears in the Summary of Proceedings as to this specific portion of § 23 in the amended version.

"Subsequent to 1941 the Section discussed the proposed trademark legislation extensively, and suggested further amendments, but nowhere can I find that the Section considered § 23 further. . . .

"The Section records, however, do indicate that individuals were revising the bill without official action by the Section or ABA."

⁴⁴ *Hearings*, footnote 43, above, p. 20. Compare, *Hearings*, footnote 40, above. See also *Hearings* on H. R. 4744, same committee, 76th Cong., 1st Sess. (1939).

⁴⁵ *Ex parte Caron Corporation*, 100 USPQ 356, 358; 44 T. M. R. 336 (Comr., 1954).

⁴⁶ 15 U. S. C. 1091, citing 41 Stat. 533 (1920), 46 Stat. 155 (1930), 52 Stat. 638 (1938), 15 U. S. C. 121 (1939).

⁴⁷ See footnote 44, above.

⁴⁸ *Hearings*, footnote 40, above, p. 103. See also, for example, *Fortune Tobacco Co. v. Axton Fischer Tobacco Co.*, 22 USPQ 366, 369 (Comr., 1939); Halliday, footnote 50, below.

The exclusive use requirement for supplemental registration appears to have worked substantial hardship, and when the bills that eventually became the 1946 act were being considered, a prime desire on the part of some members of the bar was to be rid of that requirement. It is thus quite possible that the insertion of the word "lawful" for the term "bona fide" was nothing more than a manifestation of that desire.⁴⁹

In a dissertation written only a few years after passage of the 1946 act, the gist of the present inquiry does not even seem to have been considered. Rather, it was argued that the introduction of the phrase "lawful use in commerce" in both Secs. 2(d) and 23 had precluded the interpretation of "lawful" to mean "exclusive."⁵⁰ Indeed, it would seem that two parties could hardly be entitled to *concurrent* registrations if each is held to the requirement of a year's *exclusive* use prior thereto.⁵¹ At any rate, it is doubted that the fact that Secs. 2(d) and 23 had the only appearances of the term "lawful" is a historical coincidence.

Thus the question remains: Does "commerce," wherever used, mean "lawful commerce?" The answer to that would seem to depend on the answer to the question: Does "lawful use in commerce," as twice used in the act, mean "not in violation of an Act of Congress?" These two questions present a paradox, for, on the one hand, if "lawful" literally means commerce complying with all relevant requirements of law,⁵² there would seem to be a good argument that such a limitation should not be read into those sections of the act in which it does not appear. The specific inclusion of that limitation in Sec. 2(d) would not seem to support the assertion that it was inadvertently omitted from other parts of that section.⁵³

⁴⁹ There is little but inference to support that conclusion. See footnote 43, above; footnote 50, below.

⁵⁰ Halliday, Walter J., "The Supplemental Register," 48 (1949). This is an unpublished dissertation for the J. S. D. at New York University. N. Y. U. call no. LD 3907, .L4—1950 H.2, 149 pp. Compare *Automatic Washer Co. v. Easy Washing Machine Corp.*, 98 F. Supp. 445, 451-52 (ND, NY, 1951), (89 USPQ 524).

⁵¹ The year's use requirement may be waived; see the last full paragraph of Sec. 23.

⁵² See the quotation from *Stellar*, above, corresponding to footnote 4. Once it has been decided to delve into the legality of the commerce, is there any good reason to limit the inquiry to *federal* law?

⁵³ See Sec. 2, 15 U. S. C. 1052. That section begins: "No trademark by which the goods of the applicant may be distinguished from the goods of others shall be refused registration on the principal register on account of its nature unless it. . . ." This section merits close study for those interested, but it is much too long to quote in its entirety here.

On the other hand, if "lawful" merely means something akin to "non-exclusive," this would give more weight to the argument used in *Stellar* that "commerce" must necessarily mean "lawful commerce."⁵⁴ That is to say that if the word "lawful," as twice used in the act in conjunction with "commerce," was never intended to mean "lawful" at all, there would seem to be a good argument, or at least a credible argument, perhaps, that the term, "commerce," where used, *does* in fact mean "lawful commerce" in a more conventional sense. This results, of course, from the conclusion that the term "lawful," where in fact used in the act, does *not* mean that which one might reasonably expect it to mean.

The upshot of an analysis of the legislative history of the act is that there is little authority to either support or refute, in a specific and concrete way,⁵⁵ the *Stellar* argument. The result of such a conclusion is that the issue is largely one of policy.⁵⁶ There are practical considerations as well. Both of these will be easier to discuss with a more thorough inquiry into the remaining case law.

VI. The Case Law

It has been noted that the case law concerning the legality of a trademark registrant's use in commerce is sparse. Three such cases were mentioned in *Stellar*.⁵⁷ It is useful to consider them in chronological order, and in some detail. All arose in the Patent Office.

Ex Parte H. Zussman & Son Co.

*Zussman*⁵⁸ was decided in 1956 on an appeal from the refusal of the Examiner to register the mark, "4 H's THOROBRED JEANS." There were two grounds for that refusal: (1) Under Sec. 2(a),⁵⁹ a mark is unregistrable if it "consists of or comprises . . . matter which may disparage or falsely suggest a connection with . . . institutions . . .," such institution, of course, being the well known 4-H Club. (2) It was further urged that use of such a mark is in violation of a criminal statute⁶⁰ specifically forbidding unauthorized use of the 4-H symbol or a colorable imitation thereof, and that such use would preclude registration.

⁵⁴ See footnote 4, above.

⁵⁵ See, for example, footnote 43, above.

⁵⁶ Here, an attempt will be made to try to ferret out policy by an analysis of the cases and the practical considerations rather than by attempted parsing of the

statute. Compare footnote 53, above, with footnote 52.

⁵⁷ See footnote 34, above.

⁵⁸ See footnote 34, above.

⁵⁹ See footnote 53, above.

⁶⁰ 18 U. S. C. 707.

The Commissioner, in a very short opinion, agreed that the mark was unregistrable under Sec. 2(a) of the act, and affirmed the Examiner on the first ground.⁶¹ The second, however, was rejected. Having pointed out that such a criminal statute, "requiring strict proof of violation," may forbid use of certain symbols, it was stated that:⁶²

It is neither necessary nor proper for the Patent Office to consider the applicability of this section to applicant's conduct. Registration is clearly prohibited by...2(a)..., and the question of the propriety of use of a symbol ...in violation (18 USC 707) ...is outside the jurisdiction of the Patent Office.

Coahoma Chemical Co., Inc. v. Smith

It is interesting to note that while Rule 2.69 appears to have been in force at that time,⁶³ it was not mentioned in the decision, nor was it mentioned in *Coahoma*,⁶⁴ coming slightly over six months later. The absence of reference to the rule seems justified in *Coahoma*, however, insofar as that was an inter partes matter.⁶⁵ Little else can be said about that case, however, in such a straightforward manner.

There seem to be three applications, more or less, in issue. For purposes here, they can be referred to as Smith, HGC (Howerton Gowen Company, Inc.), and Coahoma.⁶⁶ The Smith application was filed May 10, 1950, and the mark registered on July 31, 1951.⁶⁷ HGC was filed April 19, 1950, and when a conflict developed between it and Smith, that application was transferred to Smith. That application is not necessary to the discussion here.⁶⁸ Coahoma filed application on June 11, 1950, and, because of conflicts with the Smith application (registration), it had not yet been registered.⁶⁹ Concurrent use application apparently was initiated by Coahoma in January, 1953. From facts that developed there, Coahoma, on December 7, 1953, filed a petition to have the Smith marks cancelled. Pending the outcome of that petition, the concurrent use proceedings were suspended.⁷⁰

Three grounds were urged by Coahoma: (1) that it had the first *lawful* use of a pesticide trademark containing a reference to a panther, (2) that Smith did not own nor had he used the mark "BLACK

⁶¹ Zussman, footnote 34, above, at p. 283.

⁶² Zussman, footnote 34, above, at p. 284.

⁶³ See footnote 24, above.

⁶⁴ See footnote 34, above.

⁶⁵ See footnote 20, above.

⁶⁶ *Coahoma*, footnote 34, above, at p. 413.

⁶⁷ *Coahoma*, footnote 34, above, at p. 415; see also footnote 4.

⁶⁸ *Coahoma*, footnote 34, above, at p. 417: "Since there is no evidence of sales

under the mark of Howerton Gowen Company, Inc. (HGC), for purposes of these proceedings . . . the filing date of the (Smith) . . . application is the earliest date upon which respondent can rely. . . ."

⁶⁹ *Coahoma*, footnote 34, above, at p. 414; see also footnote 2.

⁷⁰ See footnote 69, above; see also footnote 3.

PANTHER," as claimed, and (3) that Smith's registration had been granted as a result of his false and misleading statements.

This case is on appeal from the Examiner of Interference's granting of the Coahoma petition to cancel the Smith registrations. Of the three grounds, the first was rejected because of the criminal ramifications,⁷¹ the second was accepted, and the resolution of the third does not appear, although it is closely linked to the second.⁷²

Although complicated, the facts seem vital to an analysis of this case, and, while detailed, they have been condensed considerably. It is easier to take each of the applications, one at a time, and follow it through.⁷³ Taking Smith first, it appears from the opinion that use of the mark "BLACK PANTHER" was begun in March or April of 1950, and that notice of registration⁷⁴ was received as to North Carolina and federal pesticide acts⁷⁵ on the 25th of April and the 8th of May, 1950, respectively. At the time of this use and registration under the pesticide acts, it appears that Smith (as the son of the president, general manager and sole stockholder of a New York corporation) was operating a branch office of that corporation in North Carolina. Smith apparently considered the idea of the mark his own, but gave the corporation permission to use it. Still acting under this misconception,⁷⁶ he applied for registration of the mark in the Patent Office, in his own name, in May, just after receiving notice from the Department of Agriculture of the registration of his labels in compliance with the Federal Economic Poisons Act (FEPA).⁷⁷ As stated above, this application was allowed, and registration became a fact under the trademark act a little over a year later.

⁷¹ See footnote 68, above; see also footnote 9.

⁷² *Coahoma*, footnote 34, above, at p. 414.

⁷³ The chronological recitation of the facts begins at p. 414 in regard to Coahoma; 415, Smith; and 416, HGC, respectively, in the opinion.

⁷⁴ Apparently under the state and federal economic poisons (pesticides) acts, registration of a pesticide by filing the name of the shipper, the pesticide name, copies of the shipping labels, use, etc. is required prior to any shipments. Such filing is acknowledged by a notice. However, it does not appear, at least as to the federal act, that there is a possibility of non-registration. The Secretary of Agriculture may protest a registration, but

must register nevertheless. Whether there is a protestation or not, registration does not save the registrant from any violations of the act as to other matters. See, for example, 7 U. S. C. 135b(1)(a), (b). It would not seem to matter when the party receives the notice of registration, so much as when registration papers were filed. This latter data does not appear in the Commissioner's opinion. At any rate, respondent, Smith, does not appear to have contested the fact that some of his shipments were illegal under that act.

⁷⁵ See footnote 74, above.

⁷⁶ See the discussion corresponding to footnote 90, below.

⁷⁷ 7 U. S. C. 135 and following. See footnote 74, above.

In regard to the Coahoma application, first use of the mark "RED PANTHER" was alleged for March 1, 1950, although notice of FEPA⁷⁸ registration was not received until 19 days later. First interstate sale apparently took place on May 8, 1950. It was also noted that while intrastate sales in Mississippi were initiated in April and that state's pesticide act⁷⁹ went into effect in May, notice of registration thereunder was not received by Coahoma until June 15, 1950.⁸⁰ As stated above, trademark application was filed June 11, 1950.

The Commissioner summarized the facts as follows: (1) Smith never did comply with the FEPA. (2) Although the New York corporation (Smith's employer at that time) complied with the FEPA on May 8, 1950: (a) this was the same day as Coahoma's first interstate sale, (b) seven weeks after that corporation's first interstate sale, and (c) three weeks after its first intrastate sale.⁸¹

In resolving the issues raised by Coahoma, it held favorably for Coahoma, apparently,⁸² on all three: (1) unlawful use, (2) ownership, and (3) false and misleading statements by Smith. The first issue was stated in three different ways before it was finally resolved. They do not all appear to be the same issue, and it is thus necessary to state all three to be sure to catch the full grasp of the holding.⁸³

*First:*⁸⁴

The question presented by this record seems to be one of first impression, namely, does the user of a trademark on goods which could not be lawfully shipped in interstate commerce acquire registrable rights superior to those of a later user whose goods were lawfully shipped....

*Second:*⁸⁵

Stated another way, did...a New York corporation, acquire any recognizable rights, either at common law or under the Federal trademark statute, as a result of its unlawful shipments by its North Carolina branch....

*Third:*⁸⁶

Reduced to its simplest terms, the question is: May property rights be acquired as a result of unlawful acts?

*The answer:*⁸⁷

The obvious answer to the question in its simplified form is in the negative.

⁷⁸ Federal Economics Poison Act, footnote 77, above.

⁷⁹ *Coahoma*, footnote 34, above, at p. 414.

⁸⁰ See footnote 79, above.

⁸¹ *Coahoma*, footnote 34, above, at p. 417.

⁸² It is difficult to determine to what extent each might be regarded as a "holding." See the quoted material corresponding to footnote 88, below.

⁸³ See footnote 82, above.

⁸⁴ See footnote 81, above.

⁸⁵ See footnote 81, above.

⁸⁶ *Coahoma*, footnote 34, above, at p. 418.

⁸⁷ See footnote 86, above. At this point, the opinion cites five cases, none of which were found binding. See footnote 10, above. *Zussman*, footnote 34, above, was not cited. Three of those cases will be discussed in detail, below. See also 55 Yale L. J. 842 (1946).

No decision in a trademark case has been found which is directly in point; but in other fields of the law which might reasonably be analogous, i.e. real property and personal property, where claimed ownership was based on acquisition by unlawful means, the principle is so well-established that citation of authorities is unnecessary.

Expressed in its most concise form, the conclusion reached herein is that use of a mark in connection with unlawful shipments in interstate commerce is not use of a mark in commerce which the Patent Office may properly recognize.

On the basis of this conclusion....The petitions to cancel are granted.

The other issues were considered immediately thereafter; this language, too, is interesting:⁸⁸

The other issues are in the nature of ex parte issues....Since one of the issues formed the basis of the recommendation of the Examiner of Interferences..., they will both be treated here even though the petitions to cancel have been granted on another ground.

Thus, as the issue of "ownership," it was "held,"⁸⁹ if that term can be used, that because Smith was an employee.⁹⁰

It is clear beyond question, therefore, that respondent did not use or own the mark at the time he filed the application....

That there is no property in an "idea" for a trademark, and that property rights in a trademark grow out of its use and not out of its mere adoption are principles too well-established to require citation of authorities.

Finally, as to the issue of whether Smith had made "false and misleading statements under oath to the Patent Office,"⁹¹ it was determined⁹² that such statements had been made, and that the registrations would not have issued,⁹³ "had the true facts been disclosed.... The registration was, therefore, void ab initio."

There is one final bit of dicta that is useful to quote, insofar as it bears on the issue of *ab initio* invalidity. Taken with the statements made in *Stellar*,⁹⁴ it results in some rather chilling conclusions:⁹⁵

Registrations which are void ab initio should be cancelled without regard to the rights of the parties to the cancellation proceedings; but where, as here,

⁸⁸ See footnote 86, above.

⁸⁹ See footnote 82, above.

⁹⁰ *Coahoma*, footnote 34, above at p. 419.

⁹¹ *Coahoma*, footnote 34, above, at p. 420.

⁹² See footnote 82, above.

⁹³ See footnote 91, above.

⁹⁴ See the quoted material corresponding to footnote 4, above.

⁹⁵ As a matter of fact, this language appears to have had some substantial effect on the *Stellar* decision. There is a serious question as to whether there is an error in that statement. Perhaps the word

"not" should follow "... ab initio should..." This, of course, would change the whole tenor of the statement.

There are at least two reasons for that conclusion as to whether the language is a typographical error or oversight. First, the sentence as it now reads does not make sense; the word, "but," as it now reads is inappropriate. Also the modified statement would be more in line with the philosophy set forth in *Morehouse*, corresponding to footnote 2, above. It would be unfortunate if *Stellar* were based on a misprint, if only in part.

damage to the petitioner (Coahoma) is presumed, cancellation of the registrations will be ordered.

Prior to an analysis of these cases, it will be useful to consider the third case relied on in *Stellar*, mentioned above,⁹⁶ and to consider three cases which were, to some extent, relied on in *Coahoma*.⁹⁷ Then, perhaps, Rule 2.69 can be seen in context.

In re Taylor

The *Taylor*⁹⁸ case appears to be the first time that the issue of the legality of commerce came before the trademark appeal board.⁹⁹ Here, the applicant was appealing from refusal to register the mark "CHUCK-A-BURGER," "for various restaurant and take-out food items including hamburgers, sandwiches, salads, desserts . . ."¹⁰⁰

There were four grounds of rejection: (1) that the mark was the common descriptive name of the item for which the mark was to be used, (2) the specimens on file (labels, etc.) did not show lawful use in commerce, (3) there did not appear to be interstate commerce, and (4) finally, the applicant refused to name the "salads, desserts, and non-alcoholic drinks."

The first and fourth grounds of refusal are not important here except to the extent that, in affirming the Examiner on those grounds, the Board weakened the necessity for its holding on the second and third grounds.¹⁰¹ Apparently, the Examiner was overruled on the third ground, for the unlawful commerce which precluded registration on the second ground was arrived at by an interpretation of the Federal Food, Drug, and Cosmetic Act, Sec. 403(e).¹⁰² That section, in conjunction with Sec. 301(b)¹⁰³ and Sec. 303,¹⁰⁴ makes it a criminal offense to introduce food into interstate commerce, if in package form, unless its label bears certain information. This information was found lacking on the submitted labels.¹⁰⁵ This led the Board to the conclusion that:¹⁰⁶

⁹⁶ *Taylor*, footnote 34, above.

⁹⁷ See footnote 87, above.

⁹⁸ See footnote 96, above.

⁹⁹ See footnote 4, above.

¹⁰⁰ *Taylor*, footnote 34, above, at p. 490.

¹⁰¹ The board almost seems to go out of its way to overrule the Examiner on the third ground in order to be able to rule on the issue of a violation of a law regulating interstate commerce.

¹⁰² 21 U. S. C. 343(e).

¹⁰³ 21 U. S. C. 331(b).

¹⁰⁴ 21 U. S. C. 333.

¹⁰⁵ See footnote 18, above.

¹⁰⁶ *Taylor*, footnote 34, above, at p. 491. Here, too, as in *Stellar*, it was urged that the statute in question had not been violated. The issue was one of whether the goods in question were "in package form" as required by Sec. 403(e) of the food law; see footnote 102, above. It was also urged in applicant's appeal brief that, in any event, a menu containing the required
(Continued on the following page.)

The specimens filed at the time of application are not in compliance with the Federal Food, Drug, and Cosmetic Act, and their use in interstate commerce cannot be construed to be a lawful use. Therefore, such use cannot afford a basis for federal registration.

It is unfortunate that the Board did not cite any authority for this proposition; neither *Zussman*,¹⁰⁷ nor *Coahoma*,¹⁰⁸ nor Rule 2.69,¹⁰⁹ nor any other. This would seem to weaken its value as support for the *Stellar*¹¹⁰ holding. That leaves only *Coahoma* in favor; *Zussman* was contra. With that situation, then, it seems especially appropriate to examine some of the authority relied on in *Coahoma*.¹¹¹

Of the three cases to be discussed here,¹¹² *Levi* and *Coffin Redington* arose on appeal from the Patent Office.¹¹³ *Strey*, however, presents, for the first time here, a situation which did not arise in, nor directly concern, the Patent Office. All are inter partes matters.

Levi & Co. v. Uri

In the *Levi* case, the controversy centered around the propriety of a label for a rye whisky which had been labeled as "pure." The whisky had, in fact, been a blend, but in spite of that, there was no illegality connected with such mislabeling. With passage of the "pure food act," appellee had changed his labels to comply with that law.¹¹⁴

(Footnote 106 continued.)

information as per Sec. 403(e) accompanied all take-out orders. See Application No. 62, 808, filed November 19, 1958; Exhibit A, a copy of the menu; p. 4 of the appeal brief; and "Appellant's Suggestions re Section 403 of *The Federal Food, Drug, and Cosmetic Act*," filed after argument. Here, again, the correctness of the Board's interpretation of the law is not in issue. See footnote 38, above.

¹⁰⁷ See footnote 34, above.

¹⁰⁸ See footnote 34, above.

¹⁰⁹ See footnote 20, above. See also footnote 87, above.

¹¹⁰ See, for example, footnote 4, above, and the corresponding quoted matter.

¹¹¹ See footnote 87, above. The cases are *Levi & Co. v. Uri*, 31 App. D. C. 441 (CA D. C. 1908); *Coffin Redington Co. v. Turner*, 46 App. D. C. 449 (CA D. C. 1917); *Locatelli, Inc. v. Locatelli Packing Co.*, 97 USPQ 305 (Comr., 1953); *Dr. Nicholas C. Strey v. Devine's*,

Inc., 103 USPQ 289 (CA-7 1954); and *Jackman v. Calvert Distillers Corporation of Mass.*, 46 USPQ 289 (Mass. Sup. Ct. 1940).

As was pointed out in *Coahoma*, the *Jackman* case, above, is rather complicated and the issue of illegal sales is but one of many. Also, federal law does not seem to be considered; that case will not be further considered here.

The *Locatelli* case is of interest insofar as it appears to be the rare situation where proof of a violation of law was a fact prior to considering whether it would affect trademark rights, and, as was pointed out in the *Coahoma* footnote, the remark concerning unlawful use is clearly dicta.

¹¹² See footnote 111, above.

¹¹³ Sec. 21, 15 U. S. C. 1071 provides for such review at present.

¹¹⁴ Federal Food and Drugs Act of June 30, 1906, 34 Stat. 768.

In both *Levi* and *Coffin Redington*, the appeal arose from a Patent Office interference proceeding in which a first user had been successful in displacing a registrant.¹¹⁵ In both cases, then, the first to register was contesting being so displaced. The court in *Levi* held that the Patent Office had been in error in allowing an improper first use to displace a proper later use:¹¹⁶

It is our conclusion that, because of misleading statements on the labels containing the mark, appellee can claim no property rights therein and is not entitled to claim benefits of the trademark act.

Coffin Redington Co. v. Turner

In *Coffin Redington*, apparently, there was no unlawful commerce either, for the labeled commodity was a cosmetic preparation.¹¹⁷ It was urged that those preparations were falsely labeled, and the appellee refused to testify to the compositions thereof for purposes of ascertaining whether, in fact, this was the case. Here too, then, the court held that the Patent Office had been in error in considering such improper use, and, in reversing, it relied heavily on *Levi*, above, stating that the Patent Office should not recognize a right to register a mark where a court of equity would deny enforcement of such a mark were it registered.¹¹⁸ Needless to say, these are far-reaching conclusions.¹¹⁹

Strey v. Devine's, Inc.

It is surprising that forty years passed before such an issue arose again in such a direct way.¹²⁰ In *Strey*, however, mere misrepresentation was not the issue, for, in that case, both state and federal laws were held to have been violated by the party seeking to enforce trademark rights.

The plaintiff in *Strey* was seeking to enforce his rights against an infringing trademark. The defendant, among other things, was urging that whatever rights the plaintiff might have should not be enforced because he had been and was engaged in commerce in violation of law. In Illinois, on the one hand, it is illegal for a

¹¹⁵ Sec. 16, 15 U. S. C. 1066; Rules 2.91 and following are the present authority for such a proceeding.

¹¹⁶ *Levi*, footnote 111, above, at p. 446.

¹¹⁷ Compare footnote 114, above. Cosmetics were not covered until passage of the present Act in 1938.

¹¹⁸ *Coffin Redington*, footnote 111, above.

¹¹⁹ There is a substantial distinction between refusing to register, ex parte, a

mark where there has been some improper conduct, for example, in use of a label, and refusing to displace a first registrant with one whose prior use is based upon such misconduct. Compare Sec. 19, 15 U. S. C. 1069. See also footnote 95, above, and the discussion corresponding thereto.

¹²⁰ *Strey*, footnote 111, above.

chiropracist to represent that he is a medical doctor by using the title "Dr.," which appeared on the labels. On the other hand, federal law was allegedly violated by the failure to list on those labels the components of plaintiff's foot preparation.¹²¹

The court regarded such misconduct as grounds for not enforcing the rights of the plaintiff,¹²² but the holding is somewhat weakened by the fact that the court also found that neither the labels, the containers, nor the marks physically resembled each other, that there was no real competition between the parties, and that the two marks, "KULE-FUT" and "KOOL-FOOT," merely have the same pronunciation.

There are some interesting ancillary issues raised by the facts in that case. For example, the registration sought to be enforced was not on the principal, but rather on the supplemental, register.¹²³ It will be recalled that on the latter, there is at least a literal requirement of lawful use in commerce. That language was not considered.

It is unfortunate, too, that the possibility of cancellation of the plaintiff's mark was not considered,¹²⁴ for the resolution of that issue would have had an important bearing on the wisdom of the approach of the Patent Office in dealing with the issue of illegal commerce. There is a possibility that, had the issue been raised, the court would have disposed of the case in exactly the same manner in which it did. This matter, however, will be discussed in more detail below.¹²⁵

At this point, then, a wide variety of factual situations have been presented. Their resolution by the Patent Office and the courts has been accomplished in a number of ways. It remains to attempt to put the trademark user on notice as to where he may stand today.

[To Be Continued in the August Issue]

¹²¹ 21 U. S. C. 352(a), 352(e) (1) (A) (ii).

¹²² *Strey*, footnote 111, above, at p. 290.

¹²³ See Part V, above, in general, and, specifically, footnotes 40, 41, and 43, above.

¹²⁴ Sec. 37, 15 U. S. C. 1119 provides that a court may order the cancellation of a mark or "otherwise rectify the register with respect to the registrations of any party to the action."

¹²⁵ It may be said at this point that it does not seem necessary for a court to cancel a registration on the basis of a label impropriety, for example, if such impropriety may be corrected and is not some sort of a blatant fraud. Indeed, even then there may be a 5-year bar. See Sec. 15, 15 U. S. C. 1065, but compare Sec. 24, 15 U. S. C. 1092, providing that no such bar is applicable to a supplemental registration.